

### ***Congressman Hosts Small Business Field Hearing in Sarasota***

**Washington, D.C.** – Congressman Vern Buchanan (FL-13) today urged the federal government to do more to help ensure small businesses have access to capital to grow and create jobs. Buchanan's comments were made during a bipartisan small business field hearing hosted by the Congressman in Sarasota, Florida.

"Right now, we are looking to small businesses to help revitalize our economy," said Buchanan. "Small businesses rely on lenders for the capital they need to expand. We must take whatever steps we can to ensure that small businesses have access to the capital they need to grow and create new jobs."

Buchanan is the vice chairman of the House Small Business Committee's Subcommittee on Finance and Tax. He and Subcommittee Chairman, Congressman Kurt Schrader heard from a variety of expert witnesses regarding the status of small business lending.

"The entrepreneurship of small business is the driving force of our economy," said Schrader. "But at the same time, small businesses can't operate on good ideas alone. It takes money. It takes investment to grow a small business into an economic power house. We need to make sure that entrepreneurs have the opportunity to succeed."

Small Business Administration Associate Administrator for Capital Access, Eric R. Zarnikow said the agency has used \$530 million over the past year to support over \$23 billion in loans to small business owners, including over \$1 billion in Florida. "While SBA's Recovery loans are helping, it's clear that many small business owners are still having a hard time getting access to credit, said Zarnikow."

Sabal Palm Bank of Sarasota President & CEO Brian Hall told the Subcommittee that small banks are highly regulated with less money to lend as a result of the recession. He called for a federal small business lending initiative, reduced or waived SBA fees, and regulatory relief.

The Subcommittee also heard from John Orr, the founder of Creative Agency Services Team (CAST). Orr started his company during the recession with \$175,000 in private investments. His company has grown from three workers to 450 employees and will generate \$6 million in revenues in 2010.

“Naturally, we are proud of these accomplishments but one of the key points that we want to make to you today is that I’m convinced that with better access to funding, CAST could have grown at twice this rate and employed a much more significant work force at a time when America desperately needs job creation,” said Orr.

Bradenton business consultant Herbert Brill recommended lawmakers provide additional funding for the SBA, require banks to strengthen their balance sheets and eliminate “mark to market,” which is also known as the fair value of accounts that change over time and reform Generally Accepted Accounting Procedures (GAAP).

U.S. Chamber of Commerce Senior Vice President William Miller made several recommendations regarding SBA loan programs including: reduce borrower and lender fees; an extension of the 90% guarantee; improvements to the SBA express loan program; and an increase in the maximum size and maximum guarantee portion of SBA loans.

“Washington must not turn its back on the needs of small businesses,” said Buchanan. “We must take whatever steps we can to ensure that small businesses have access to the capital they need to grow and create new jobs. Congress has recognized the need to get credit flowing to small businesses, but it is clear that more must be done.”

Unemployment in this country is 9.7 percent. Florida’s unemployment rate is even higher, exceeding 12 percent. According to the Small Business Administration, small businesses are responsible for 70% of job creation in the United States.

“We need to reinvigorate small businesses, which are the backbone of our economy,” added Buchanan. “Doing this will go a long way towards getting our economy back on solid ground.”

